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May 26, 2005

Appropriations Policy Brief

H.R. 2528 — Military Quality of Life Appropriations Act for FY 2006

BY THE NUMBERS:

In Millions of Dollars

	FY05	FY06 Bush Request	FY06 Committee	Cmte v. Request	Cmte v. FY05
Appropriations	79,959	84,435	85,158	+723	+5,199
<i>Emergency Approps</i>	304	0	0	0	-304
TOTAL	80,263	84,435	85,158	0	+4,895

Excluding Emergency Appropriations, the Committee Bill is:

- **\$5.2 billion (6.5%) more than last year**
- **\$723 million (1%) more than the request**

Budget Compliance: According to CBO, the bill is within the 302(b) allocation of the Military Quality of Life and Veterans Affairs Appropriations Subcommittee and thus complies with the Budget Act.

Unauthorized Appropriations: According to the Committee report, the bill appropriates \$54.2 billion for unauthorized programs, 63.6% of the bill. The Rules of the House prohibit this practice, but the rule governing consideration of the bill is expected to waive this restriction. However, many of these programs will receive their authorization with the enactment of H.R. 1815, the FY06 Defense Authorization Act.

Presidential Terminations and Reductions:

State Extended Care Facilities: Increases funding for grants to construct new state extended care facilities from \$31.7 million to \$32 million. The Administration proposed to halt funding for new facilities until a nationwide study could be undertaken on where veterans with service-connected disabilities reside in greatest numbers. Accordingly, the request contained no funding for this account.

Items of Note:

Veterans Medical Care: Increases veterans medical care by \$1.68 billion from \$19.3 billion to \$21 billion, an increase of \$1.7 billion or 9% over last year and \$1 billion or 5% over the request. The bill does **NOT** contain the Administration’s proposals to increase co-pays and deductibles.

Base Realignment and Closure (BRAC): Increases funding for the BRAC process by \$1.7 billion, from \$246 million to \$1.95 billion, to accommodate the new 2005 round of base closings. This funding level is \$310 million below the President’s request. The Base Closure Commission will make its recommendations (based upon the Department of Defense’s recent submissions) in September and implementation will begin in 2006. In its Statement of Administration Policy on H.R. 1815, the FY06 Defense Authorization Act, the Administration strongly opposed this proposed \$310 million reduction from its request, claiming it would “slow BRAC implementation and thus delay achievement of the mission improvements provided by BRAC changes, costing the DOD more money over the long-term.”

Contracting Restrictions: Prohibits funds from spent on “cost-plus-a-fixed-fee” construction contracts if they exceed \$25,000 – except for contracts in Alaska. Under cost-plus-fixed fee contracts, a contractor is less responsible for the actual costs of performing the contract because the profit has already been negotiated.

Flag Officer Renovations: Limits the amount of funding for renovating a general or flag officers quarters to \$35,000 per year. Last year, the Committee expressed concern in report language that a substantial portion of major renovation costs were customer driven or demanded by officers residing in those quarters (according to a GAO investigation).

Earmarks:

On pages 72 through 90, the Committee Report lists its recommendations for military construction and housing projects by state.

Funding Summaries:

In Thousands

	FY 05 Enacted	FY 06 Request	FY 06 Cmte	Cmte Over FY05	Cmte Over Request	% Over FY05	% Over Request
Department of Defense							
Military Construction, Army	1,962,084	1,479,841	1,652,552	-309,532	172,711	-15.78%	11.67%
Military Construction, Navy	1,180,397	1,029,249	1,109,177	-71,220	79,928	-6.03%	7.77%
Military Construction, Air Force	844,531	1,069,640	1,171,338	326,807	101,698	38.70%	9.51%
Military Construction, Defense-Wide	663,318	1,042,730	976,664	313,346	-66,066	47.24%	-6.34%
Military Construction, Reserve Components	958,441	722,831	930,849	-27,592	208,018	-2.88%	28.78%
NATO Security Investment	160,800	206,858	206,858	46,058	0	28.64%	0.00%
Family Housing, Total	4,074,603	4,242,169	4,201,661	127,058	-40,508	0.00%	-0.95%
Base Realignment & Closure	246,166	2,258,293	1,948,293	1,702,127	-310,000	691.45%	-13.73%
Chemical Demilitarization Construction	81,886	0	0	-81,886	0	-100.00%	
Basic Allowance for Housing, Total	12,116,825	13,273,287	13,273,287	1,156,462	0	9.54%	0.00%
Facilities Sustainment, Restoration	6,865,201	3,592,905	3,592,905	-3,272,296	0	-47.66%	0.00%

	FY 05 Enacted	FY 06 Request	FY 06 Cmte	Cmte Over FY05	Cmte Over Request	% Over FY05	% Over Request
Environmental Restoration	1,355,336	1,369,689	1,368,689	13,353	-1,000	0.99%	-0.07%
Defense Health Program	18,171,436	19,791,612	19,983,912	1,812,476	192,300	9.97%	0.97%
Total, Dept of Defense	48,681,048	53,101,111	53,514,192	4,833,144	413,081	9.93%	0.78%
Department of Veterans Affairs							
Compensation and Pensions	32,607,688	33,412,879	33,412,879	805,191	0	2.47%	0.00%
Medical Services	19,316,995	19,995,141	20,995,141	1,678,146	1,000,000	8.69%	5.00%
Medical Administration	44,380	45,907	45,907	1,527	0	3.44%	0.00%
Medical Facilities	3,715,040	3,297,669	3,297,669	-417,371	0	-11.23%	0.00%
Medical and Prosthetic Research	402,348	393,000	393,000	-9,348	0	-2.32%	0.00%
General Operating Expenses	1,314,155	1,418,827	1,411,827	97,672	-7,000	7.43%	-0.49%
National Cemetery Administration	147,734	156,447	156,447	8,713	0	5.90%	0.00%
Inspector General	69,153	70,174	70,174	1,021	0	1.48%	0.00%
Construction, Major Projects	455,130	607,100	607,100	151,970	0	33.39%	0.00%
Construction, Minor Projects	228,933	208,937	208,937	-19,996	0	-8.73%	0.00%
Grants, Construct State Extended Facilities	104,322	0	25,000	-79,322	25,000	-76.04%	
Grants, Construct State Veterans Cemeteries	31,744	32,000	32,000	256	0	0.81%	0.00%
Total, Dept of Veterans Affairs	30,730,748	30,851,682	31,486,682	755,934	635,000	2.46%	2.06%
Related Agencies							
American Battle Monuments Commission	52,675	50,500	51,000	-1,675	500	-3.18%	0.99%
U.S. Court of Appeals for Veterans Claims	17,112	18,295	18,295	1,183	0	6.91%	0.00%
Armed Forces Retirement Home	61,131	58,281	58,281	-2,850	0	-4.66%	0.00%
DOD Civil Cemeterial Expenses (Army)	29,363	28,050	29,550	187	1,500	0.64%	5.35%
Total, Related Agencies	160,281	155,126	157,126	-3155	2000	-1.97%	1.29%

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